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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,	:	2:98CR 0278ST
Plaintiff,	:	FELONY INFORMATION
vs.	:	Vio. 15 U.S.C. §§ 78j(b) and 78ff;
	:	17 C.F.R. § 240.10b-5 (Securities Fraud);
DAVID A. HESTERMAN,	:	and 26 U.S.C. § 7203 (Failure to File
Defendant.	:	Tax Return)

The United States Attorney charges:

COUNT I

1. The United States incorporates and realleges the allegations of Count I of the Superseding Indictment in this case as a scheme and artifice to defraud.
2. Between on or about December 8, 1994 and April 18, 1995, in the Central Division of the District of Utah and elsewhere, the defendant

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DAVID A. HESTERMAN

did willfully, directly and indirectly, by use of means and instrumentalities of interstate commerce and of the mails, (1) employ a device, scheme, and artifice to defraud; (2) make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (3) engage in acts, practices, and courses of business which would operate and did operate as a fraud and deceit upon any person in connection with the purchase and sale of a security, that is the common stock of PanWorld Minerals International, Inc.; in that the defendant did transfer and participate in the transfer of 106,000,000 shares of PanWorld stock to Canyon; all in violation of 15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5, 15 U.S.C. § 78ff, and 18 U.S.C. § 2(a).

COUNT II

During the calendar year 1996, in the Central Division of the District of Utah and elsewhere, the defendant

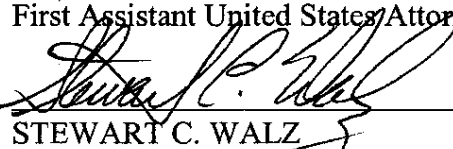
DAVID A. HESTERMAN

a resident of the state of Utah, had and received a gross income of approximately \$937,181.92; that by reason of such income he was required by law, following the close the calendar year 1996 and on or before April 15, 1997 to make an income tax return to the District Director, Internal Revenue Service at Salt Lake City, Utah, in the Central Division of the District of Utah or to the Director, Internal Revenue Service Center, Western Region, Ogden, Utah, stating specifically the items of gross income and any deductions and credits to which he was entitled; that well knowing all of the foregoing

facts, he did willfully and knowingly fail to make said income tax return to said District Director of the Internal Revenue Service, or to any other proper officer of the United States; all in violation of 26 U.S.C. § 7203.

Dated this 30th day of August, 2002.

STEPHEN J. SORENSON
First Assistant United States Attorney


STEWART C. WALZ
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